

IC 20-5.5-7

Chapter 7. Fiscal Matters

IC 20-5.5-7-1

Organizer

Sec. 1. (a) The organizer is the fiscal agent for the charter school.

(b) The organizer has exclusive control of:

- (1) funds received by the charter school; and
- (2) financial matters of the charter school.

(c) The organizer shall maintain separate accountings of all funds received and disbursed by the charter school.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-7-2 Repealed

(Repealed by P.L.276-2003, SEC.35.)

IC 20-5.5-7-3

Charter school student information; distribution of state funds; calculation of share of local funds

Sec. 3. (a) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the department the following information on a form prescribed by the department:

- (1) The number of students enrolled in the charter school.
- (2) The name and address of each student.
- (3) The name of the school corporation in which the student has legal settlement.
- (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.
- (5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the amount determined under IC 21-3-1.7 for the charter school. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution under IC 21-3-1.7.

(c) The department shall provide to the department of local government finance the following information:

- (1) For each county, the number of students who:
 - (A) have legal settlement in the county; and
 - (B) attend a charter school.
- (2) The school corporation in which each student described in subdivision (1) has legal settlement.
- (3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.
- (4) The amount determined under IC 6-1.1-19-1.5(f) STEP EIGHT for 2004 and IC 6-1.1-19-1.5(b) STEP SIX for 2005 for

each school corporation described in subdivision (2).

(5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

- (A) the amount determined under IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for a charter school described in subdivision (3); multiplied by
- (B) thirty-five hundredths (0.35).

STEP TWO: Determine the product of:

- (A) the STEP ONE amount; multiplied by
- (B) the current ADM of a charter school described in subdivision (3).

(6) The amount determined under STEP THREE of the following formula:

STEP ONE: Determine the number of students described in subdivision (1) who:

- (A) attend the same charter school; and
- (B) have legal settlement in the same school corporation located in the county.

STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described in STEP ONE (A).

STEP THREE: Determine the product of:

- (A) the STEP ONE amount; multiplied by
- (B) the STEP TWO amount.

As added by P.L.100-2001, SEC.21. Amended by P.L.276-2003, SEC.9; P.L.1-2004, SEC.57 and P.L.23-2004, SEC.59.

IC 20-5.5-7-3.5

Calculation and distribution of state and local funds to conversion charter school; advance from charter school advancement account

Sec. 3.5. (a) This section applies to a conversion charter school.

(b) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), and after July 2, the organizer shall submit to a governing body on a form prescribed by the department the information reported under section 3(a) of this chapter for each student who:

- (1) is enrolled in the organizer's conversion charter school; and
- (2) has legal settlement in the governing body's school corporation.

(c) Beginning not more than sixty (60) days after the department receives the information reported under section 3(a) of this chapter, the department shall distribute to the organizer:

- (1) tuition support and other state funding for any purpose for students enrolled in the conversion charter school;
- (2) a proportionate share of state and federal funds received for students with disabilities or staff services for students with disabilities for students with disabilities enrolled in the conversion charter school; and
- (3) a proportionate share of funds received under federal or state categorical aid programs for students who are eligible for

the federal or state categorical aid and are enrolled in the conversion charter school;
for the second six (6) months of the calendar year in which the conversion charter school is established. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution to the governing body of the school corporation in which the conversion charter school is located. A distribution to the governing body of the school corporation in which the conversion charter school is located is reduced by the amount distributed to the conversion charter school. This subsection does not apply to a conversion charter school after December 31 of the calendar year in which the conversion charter school is established.

(d) This subsection applies beginning with the first property tax distribution described in IC 6-1.1-27-1 to the governing body of the school corporation in which a conversion charter school is located after the governing body receives the information reported under subsection (b). Not more than ten (10) days after the governing body receives a property tax distribution described in IC 6-1.1-27-1, the governing body shall distribute to the conversion charter school the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the quotient of:

(A) the number of students who:

- (i) are enrolled in the conversion charter school; and
- (ii) were counted in the ADM of the previous year for the school corporation in which the conversion charter school is located; divided by

(B) the current ADM of the school corporation in which the conversion charter school is located.

In determining the number of students enrolled under clause (A)(i), each kindergarten pupil shall be counted as one-half (1/2) pupil.

STEP TWO: Determine the total amount of the following revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established:

(A) Revenues obtained by the school corporation's:

- (i) general fund property tax levy; and
- (ii) excise tax revenue (as defined in IC 21-3-1.7-2).

(B) The school corporation's certified distribution of county adjusted gross income tax revenue under IC 6-3.5-1.1 that is to be used as property tax replacement credits.

STEP THREE: Determine the product of:

- (A) the STEP ONE amount; multiplied by
- (B) the STEP TWO amount.

(e) Subsection (d) does not apply to a conversion charter school after the later of the following dates:

- (1) December 31 of the calendar year in which the conversion charter school is established.

(2) Ten (10) days after the date on which the governing body of the school corporation in which the conversion charter school is located receives the final distribution described in IC 6-1.1-27-1 of revenues to which the school corporation in which the conversion charter school is located is entitled for the second six (6) months of the calendar year in which the conversion charter school is established.

(f) This subsection applies during the second six (6) months of the calendar year in which a conversion charter school is established. A conversion charter school may apply for an advance from the charter school advancement account under IC 20-5.5-7.5 in the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the result under subsection (d) STEP ONE (A).

STEP TWO: Determine the difference between:

- (A) the conversion charter school's current ADM; minus
- (B) the STEP ONE amount.

STEP THREE: Determine the quotient of:

- (A) the STEP TWO amount; divided by
- (B) the conversion charter school's current ADM.

STEP FOUR: Determine the product of:

- (A) the STEP THREE amount; multiplied by
- (B) the quotient of:
 - (i) the subsection (d) STEP TWO amount; divided by
 - (ii) two (2).

As added by P.L.276-2003, SEC.10.

IC 20-5.5-7-4

Cost of services provided to charter schools

Sec. 4. (a) Services that a school corporation provides to a charter school, including transportation, may be provided at not more than one hundred three percent (103%) of the actual cost of the services.

(b) This subsection applies to a sponsor that is a state educational institution described in IC 20-5.5-1-15(1)(B). In a calendar year, a state educational institution may receive from the organizer of a charter school sponsored by the state educational institution an administrative fee equal to not more than three percent (3%) of the total amount the organizer receives during the calendar year under IC 6-1.1-19-12 and IC 21-3-1.7-8.2.

As added by P.L.100-2001, SEC.21. Amended by P.L.1-2002, SEC.84; P.L.276-2003, SEC.11.

IC 20-5.5-7-5

Grants and private and federal funds

Sec. 5. (a) An organizer may apply for and accept for a charter school:

- (1) independent financial grants; or
- (2) funds from public or private sources other than the department.

(b) An organizer shall make all applications, enter into all

contracts, and sign all documents necessary for the receipt by a charter school of aid, money, or property from the federal government.

As added by P.L.100-2001, SEC.21. Amended by P.L.276-2003, SEC.12.

IC 20-5.5-7-6

Distribution of school corporation's capital project fund

Sec. 6. With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's capital project fund to a charter school.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-7-7

Applicability of bidding and wage determination laws

Sec. 7. When a charter school uses public funds for the construction, reconstruction, alteration or renovation of a public building, bidding and wage determination laws and all other statutes and rules shall apply.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-7-8

Financial reports

Sec. 8. A sponsor may request and receive financial reports concerning a charter school from the organizer at any time.

As added by P.L.100-2001, SEC.21.

IC 20-5.5-7-9

Termination of charter; distribution of funds; repayment of obligations

Sec. 9. (a) This section applies if:

(1) a sponsor:

(A) revokes a charter before the end of the term for which the charter is granted; or

(B) does not renew a charter; or

(2) a charter school otherwise terminates its charter before the end of the term for which the charter is granted.

(b) Any local or state funds that remain to be distributed to the charter school in the calendar year in which an event described in subsection (a) occurs shall be distributed as follows:

(1) First, to the common school loan fund to repay any existing obligations of the charter school under IC 20-5.5-7.5.

(2) Second, to the entities that distributed the funds to the charter school. A distribution under this subdivision shall be on a pro rata basis.

(c) If the funds described in subsection (b) are insufficient to repay all existing obligations of the charter school under IC 20-5.5-7.5, the state shall repay any remaining obligations of the charter school under IC 20-5.5-7.5 from the amount appropriated for

distributions under IC 21-3-1.7.
As added by P.L.276-2003, SEC.13.